

Message Text

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ACTION EUR-12

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FOR EUR/CAN AND VICE PRESIDENT'S OFFICE (BURNS AND BIEGING)

E.O. 11652: NA

TAGS: OVIP (WALTER MONDALE), CA

SUBJECT: CANADIAN COVERAGE OF VICE PRESIDENT'S VISIT

1. THE GAZETTE FRONTPAGED ARTICLE: "HOTELS BUBBLE AT
U.S. CONVENTION THAW." STORY SAYS VP MONDALE HAD
AGREED TO REVIEW CANADA'S REQUEST TO LIFT TAX
LAW THAT HAS CUT INTO THE TOURIST INDUSTRY HERE AND
THAT PRESIDENT CARTER PROPOSES TO END THE LIMIT ON
TAX/EXEMPT FOREIGN CONVENTIONS THAT AMERICAN BUSINESSMEN
CAN ATTEND. INSTEAD, TAX AUTHORITIES WOULD HAVE
ADMINISTRATIVE GUIDES TO DECIDE WHETHER THE CONVENTION
OUTSIDE THE U.S. WAS AN APPROPRIATE CONVENTION EXPENSE.

(COMMENT: THIS SOUNDS LIKE A CONFUSION BETWEEN LIMIT ON NUMBER
OF FOREIGN CONVENTIONS AND LIMIT ON PER DIEM EXPENSES.)

ARTICLE NOTES MEETINGS ALSO DEALT WITH
SWAPPING OF NATURAL GAS, POSSIBILITY OF STORING U.S.
OIL UNDERGROUND IN THE ATLANTIC PROVINCES, POSSIBLE
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ELECTRICITY SWAPS, ANNOUNCEMENT OF U.S.-CANADA
ECONOMIC SUMMIT MEETING OF MINISTERS OF FINANCE IN
MARCH IN OTTAWA, AND INCREASE FROM \$100 TO \$250 ON
DUTY-FREE GOODS AMERICANS COULD TAKE BACK TO U.S.

2. LE DEVOIR CARRIED ARTICLE ON PAGE SEVEN: "WALTER MONDALE
IN OTTAWA: SOME AGREEMENTS HAVE TAKEN FORM." STORY

ITEMIZED SAME LIST OF TOPICS PLUS ESTABLISHMENT OF A POLICY OF ENERGY CONSERVATION, AND ADJUSTMENT OF RESPECTIVE POSITIONS RE GATT. IT NOTED THAT ALLAN MACEACHEN HAD COMMENTED THAT THE AGREEMENTS WERE MUTUALLY PROFITABLE BUT THAT THE QUESTIONS OF GATT POSITIONS AND THE STORAGE OF OIL IN ATLANTIC REGION NEED FURTHER ATTENTION. IT STATES THAT OUR GATT POSITIONS WILL BE COMMUNICATED TO CANADA NEXT WEEK.

3. MONTREAL STAR HEADLINED FRONT-PAGE STORY: "MONDALE TALKS SOOTHE IRRITANTS." IN ADDITION TO ITEMS IN FOREGOING, VP SAID TO HAVE SAID STEPS WILL BE TAKEN TO SOFTEN THE APPLICATION OF U.S. LAWS IN THE ANTI-TRUST FIELD AS THEY TOUCH ON CANADA -- I.E., OTTAWA WOULD BE NOTIFIED FIRST AND ATTEMPTS MADE TO GET THE INFORMATION VOLUNTARILY ALTHOUGH U.S. NOT WAIVING ITS RIGHT TO "PURSUE THE COMPULSORY LEGAL PATH" IF THE VOLUNTARY ROUTE FAILED. STORY DESCRIBES MONDALE'S PRAISE OF TRUDEAU AS "EFFUSIVE" -- "AN OLD FRIEND OF MINE" AND "A PRECIOUS ASSET TO THE INDUSTRIALIZED WORLD." ARTICLE NOTES VP'S CHARACTERIZATION OF TRIP AS BEING "TO KEEP THE MOMENTUM GOING" IN IMPROVING U.S.-CANADA RELATIONS AND HIS REFUSAL TO BE DRAWN INTO ISSUE OF CANADA'S "UNITY CRISIS." SOCIAL SCHEDULE AND HUMAN INTEREST ITEMS (E.G. HIS GRANDFATHER BORN IN ONTARIO) UNCLASSIFIED

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FILLED MOST OF CARRY-OVER TO PAGE TWELVE.

4. STAR CARRIED TWO OTHER STORIES ON PAGE TWELVE: "MIKE SNAFU TUNES OUT MONDALE", DRAWING ATTENTION TO FAILURE OF SIMULTANEOUS TRANSLATION EQUIPMENT DURING PRESS CONFERENCE WHICH PREVENTED VP FROM HEARING A QUESTION IN FRENCH BUT CLAIMING INCIDENT WAS AS NOTHING COMPARED TO RECENT INCIDENT IN POLAND. OTHER: "MONDALE OFFERS ENERGY SWAP" REHASHES PIPELINE, PROPOSED SWAPS OF GAS AND ELECTRICITY, AND OIL STORAGE PROPOSAL AND, NOTING THAT ALBERTA'S POLICIES MUST ALSO BE CONSIDERED, PUTS STRESS ON TALKS WITH LOUGHEED TO TAKE PLACE TODAY. FINALLY, THIRD ARTICLE SAME PAGE "ART BANK EXCITES JOAN MONDALE" TAKES OBVIOUS PLEASURE IN MRS.. MONDALE'S ENTHUSIASTIC COMMENTS ABOUT THE CANADA COUNCIL'S ART BANK AND HER EFFORTS TO PROMOTE SUPPORT OF THE ARTS IN THE U.S.

5. CE SOIR, THE EARLY EVENING FRANCOPHONE RADIO-CANADA TV NEWS PROGRAM, ON JANUARY 17 GAVE VERY BRIEF ACCOUNT (ONE TO TWO MINUTES) OF VP MONDALE VISIT TO OTTAWA. IT WAS SAID THAT HE HAD A MEETING WITH PRIME MINISTER TRUDEAU AND SOME (UNNAMED) CABINET

MINISTERS AND TALKED ABOUT THE STATE OF U.S.-CANADIAN
RELATIONS, CONVERING SUCH QUESTIONS AS ENVIRONMENT AND ENERGY
AND MEANS OF SUPPLYING THE U.S. IN GAS AND OIL.

6. COMMENT: IN MONTREAL, WHICH HAS BEEN HARD HIT BY
CONVENTION CANCELLATIONS, TAX/CONVENTION ELEMENT
OF DISCUSSIONS IS MATTER OF PARTICULAR SIGNIFICANCE.
EXECUTIVE DIRECTOR OF MONTREAL HOTEL ASSOCIATION HAS
ALREADY TOLD CONSUL GENERAL HOW HAPPY THEY ALL ARE.
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